

January 26, 2021

No.: KT/PB (COTTO) 001/2021
To: Director and Manager, the Stock Exchange of Thailand
Subject: Management's Discussion and Analysis (MD&A) of Q4/20 and FY2020 ending December 31, 2020
(Unaudited)

SCG Ceramics Public Company ("The Company") would like to provide operating results information of the company and its subsidiary for the period Q4/20 and FY2020 ending December 31, 2020, as follows:

The Company reported Q4/20, profit for the period amounted 83 MB, increased 219% y-o-y and EBITDA amounted 270 MB, increased 266% y-o-y as of (1) Efficiency of continuously increasing in management and operation (2) Declining in natural gas price from last year, and, while revenue from sales amounted 2,419 MB, decreased 5% y-o-y, due to decreasing in sales volume from the pandemic of COVID-19 which affected world economy and slightly decreased in average selling price.

For the period of FY2020, profit for the year amounted 420 MB, increased 150% y-o-y and EBITDA amounted 1,222 MB, increased 28% y-o-y and revenue from sales amounted 9,951 MB, decreased 10% y-o-y from dropping in sale volume and average selling price. There were major non-recurring items for the period FY2019 which is land selling amounted 203 MB and the new labor law (changed from 300 days to 400 days severance pay for staffs with +20 service years) amounted 124 MB. While major non-recurring items for the period both FY2019 and FY2020 which is Mutual Separation Plan (MSP) amounted 77 MB and 106 MB respectively, without Mutual Separation Plan (MSP) expense, revenue from sales decreased 8% y-o-y, profit for the year increased 75% y-o-y and EBITDA increased 35% y-o-y.

Table1: Consolidated financial Summary

Unit: Million Baht	Q4 2020	%change Y-o-Y	%change Q-o-Q	Jan.-Dec. 2020	%change Y-o-Y
Revenue from Sales	2,419	-5%	-8%	9,951	-10%
Profit for the Period	83	219%	-51%	420	150%
EBITDA	270	266%	-30%	1,222	28%
Earning per Share (Baht)	0.01	219%	-51%	0.07	150%

Note: EBITDA = Earnings before interest, tax, depre.& amortization
Profit for the Period = Profit for the Period attributable to owners of the parent

For the period of FY2020, finance costs amounted 7 MB, whereas FY2019 amounted 5 MB. Average interest rate at 0.91% which is fixed rate and all debts are in Thai Baht and no short term loan from financial institute.

Table2: Debt Profile

Unit: Million Baht	Q4 2020	Q3 2020	Q4 2019
Short-Term Loan	-	-	160
Baht	-	-	160
Foreign	-	-	-
%of Total Loan	n/a	n/a	100%
Total Loan	-	-	160
Cash and cash equivalents	731	644	632
Total Net Debt	(731)	(644)	(472)
<u>Financial Ratios</u>	Q4 2020	Q3 2020	Q4 2019
EBITDA on Assets (%)	11%	11%	8%
Current Ratio (times)	3.4	2.8	2.9
Quick Ratio (times)	1.3	1.0	1.0
Interest Coverage (times)	294.9	285.6	409.4
Net Debt to EBITDA (times)	n/a	n/a	n/a
Net Debt to Equity (times)	n/a	n/a	n/a
Debt to Equity (times)	0.2	0.3	0.3
Return on Equity (%)	5%	5%	2%

Note:	Net Debt	= Total debt (interest bearing), less cash and cash equivalents
	EBITDA	= Earnings before interest, tax, depre.& amortization
	EBITDA on Assets	= Annualized EBITDA, to Total Consolidated Assets
	Current Ratio	= Current Assets, to current liabilities
	Quick Ratio	= Cash+short term investments+receivable, to current liabilities
	Interest Coverage	= EBITDA, to interest expense
	Net Debt to EBITDA	= Net debt, to annualized EBITDA
	Net Debt to Equity	= Net debt, to equity & non-controlling interest
	Debt to Equity	= Total Liabilities, to equity & non-controlling interest
	Return on Equity	= Annualized Net profit, to average total shareholder's equity (not including non-controlling interest)

As of December 31, 2020, Total assets amounted 10,913 MB, where current assets amounted 4,950 MB, property, plant and equipment amounted 5,071 MB and others non-current assets amounted 892 MB.

Total Liabilities amounted 2,101 MB, where current liabilities from trade and other current payable amounted 1,232 MB, others liabilities 212 MB and non-current liabilities amounted 657 MB. However, the company had no short-term and long-term loan with interest.

Total equity attributable to owners of the parent amounted 8,812 MB, which 100% of total shareholder's equity.

Table3: Statement of Financial Position			
Unit: Million Baht	December	December	September
	2020	2019	2020
Total Assets	10,913	11,395	11,243
Current Assets	4,950	5,125	5,129
Cash, cash equivalent and short term investment	731	632	644
Trade and other current receivables	1,104	1,154	1,260
Inventories	2,629	2,853	2,739
Land development for sale	486	486	486
Property, plant and equipment	5,071	5,323	5,192
Others non-current Assets	892	947	922
Total Liabilities	2,101	2,363	2,519
Current Liabilities	1,444	1,763	1,814
Trade and other current payables	1,232	1,417	1,665
Loans	-	160	-
Others	212	186	149
Others non-current Liabilities	657	600	705
Total Shareholders' equity	8,812	9,032	8,724
Total equity attributable to owners of the parent	8,812	8,505	8,724
Non-controlling interests	-	527	-

Sincerely yours,

(Numpol Malichai)

Managing Director